Exhibit D

to the Ad Hoc Group of Non-Consenting Noteholders' Letter to The Honorable Craig T. Goldblatt from Aaron L. Renenger regarding Discovery Disputes

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

	.	Chapter 11
IN RE:	.	
	.	Case No. 20-10766 (KBO)
QUORUM HEALTH CORPORATION	.	
et al.,	.	
	.	Courtroom No. 1
	.	824 North Market Street
	.	Wilmington, Delaware 19801
	.	
Debtors.	.	May 11, 2020
. . . . .	.	4:00 P.M.

TRANSCRIPT OF TELEPHONIC HEARING REGARDING DISCOVERY DIPUTES
BEFORE THE HONORABLE KAREN OWENS
UNITED STATES BANKRUPTCY JUDGE

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(Telephonic proceedings commenced at 4:03 p.m.)

THE COURT: Counsel, this is Judge Owens. We're here today to discuss the discovery issue that has been put forth in a series of letters with the initial one filed by Mudrick.

So, why don't I turn it over for counsel to Mudrick to makes its presentation.

MR. REMMING: Good afternoon, Your Honor. For the record Andrew Remming from Morris Nichols Arsht & Tunnell on behalf of Mudrick Capital Management. On the phone with me are my colleagues from Kasowitz, Howard Schub, Kim Conroy and Matthew Stein, as well as my colleagues from Morris Nichols, Megan Cascio who will handle today's hearing, and Joe Barsalona.

THE COURT: Okay. Thank you, Mr. Remming.

MS. CASCIO: Good afternoon, Your Honor. Megan Cascio from Morris Nichols. As Mr. Remming said, I'm going to handle most of Mudrick's presentation; although, my colleague at Kasowitz, Kim Conroy, is going to address some KKR specific issues.

THE COURT: Okay.

MS. CASCIO: I appreciate your time. We know how difficult this is in the current circumstances to get everyone together on a phone call. So, we do appreciate Your Honor's prompt attention to this issue. And I'm going to try

to keep my remarks brief.

I think as just to refresh, as the disclosures note the noteholders have been intimately involved in the company for, at least, several months to a year. I believe the disclosure first mentioned that the noteholders were given access to the company, to its documents, updates on strategic alternative, opportunities for input and into the negotiations of those alternatives going back, at least, until last May 2019. Ultimately, of course, the noteholders were involved in negotiating a plan and the RSA.

So, I don't think that anyone can deny that the noteholders have been informed about this company or well informed about the debtors and have it involved in the strategic process and alternatives for quite some time. Therefore, we believe the noteholders are uniquely positioned to have valued the company and that their valuations are substantive, and have meaning, and have probative value in the discovery of this case.

The noteholders -- well, if the plan is approved the noteholders will walk away with the company's equity and in some cases with respect to certain noteholders they're putting in new money presumably because they believe they are getting a fair, if not, great deal with that new equity infusion.

With respect to the cases that the noteholders

counsel attached to its letter to Your Honor and with all due respect to the judges in those cases I think that either the issues weren't presented in the way that we looked at them or as, I think, Judge Lane noted in the Genco case in New York that he takes the cases as they're presented to him.

(Phone interference)

MS. CASCIO: I'm sorry, either someone commented or I got some reverb and I didn't want to talk over Your Honor if you were commenting on something.

THE COURT: No. That must have been feedback on the line. So, please continue.

MS. CASCIO: Oh, okay. So, as I was saying, the judges take the cases as they are presented. That did appear that perhaps the issues weren't addressed the way, as I said, we look at them. It seems that the judges in the other cases were looking at what concerns with many trials, many appraisals, extending the length of the trials and not so much looking at the relevant issues.

I -- quite frankly, it seemed that there was an arbitrary line drawn that communications between noteholders and debtors would be produced whether or not noteholders were going to present evidence in support of the plan, but internal valuations of noteholders would not be produced. I think that really bears out that the issues -- we look at the issues a little bit differently.

Whether or not the noteholders present evidence in support of the plan, their views on the valuation issues are relevant. In this case we are likely to be looking at, I think it's very likely we're going to be looking at a battle of experts between the debtor's experts and Mudrick's experts with respect to what valuation is. We expect that the debtor's expert will have critiques and criticisms of Mudrick's expert's valuation. For example, they may say -- I think some of the documents they said they don't think the DCF, the discounted cash-flow analysis, is really appropriate or the debtors.

For example, if we were to learn that the noteholders did think that that was an appropriate method of valuation when they were doing their valuations of the debtors in connection with the strategic alternatives or planning for the bankruptcy I think that would be probative, at least, with respect to any criticism that the debtors may have of (indiscernible) analysis.

The same would be true with respect to inputs that are used in the valuations, whether it be, you know, disagreements about discounts rates, or weighted average cost of capital, et cetera; you know, what the noteholders used as their inputs could be probative for those same reasons. The same is true with respect to comparable companies, comparable transactions, others who were very involved with this

company, involved in the strategic process, involved in planning for the bankruptcy thought were appropriate methods and ways to value the debtors would be probative of any challenge the debtors themselves may have to Protiviti's valuation that is going to be presented to Your Honor in connection with the confirmation hearing.

Internal valuations, you know, as opposed to what parties may share across the table in negotiations, the internal valuations are really what we know are candid, what parties really believe are more representative of the appropriate considerations when you're valuing a company. That is why the internal valuations of the noteholders are important to us in this case.

Also, you know, I know the noteholders have said that they're not putting on evidence at the confirmation hearing, but they've already interjected in this case in the past, whether it's specifically putting on evidence of valuation they have raised their position with respect to the valuation including at the first day hearing when they made comments which we cited in our letter to Your Honor about what they think the value is of what they're going to be walking away with if the plan is confirmed.

Moreover, you know, Mudrick is challenging that the -- or its position is that the noteholders are getting more than 100 cents on the dollar if the plan were to be

confirmed. So, we can foresee the possibility that the noteholders will inject themselves and they have a response to that again. We can't wait to find out that they are going to have response to something that we present at the time of the hearing. The time for discovery is now.

There's also the possibility, as we note in our letter, that the debtors will interject the noteholders views on values as this case moves forward. They have already done so with respect to the letter that we attached to our letter to Your Honor that the debtors sent to the U.S. Trustee where they argued that Mudrick's concerns of valuation being low were "belied by the objective realities in these cases" including, they pointed out, some of the noteholders had decided not to put in new value which they said,

"Independently refutes Mudrick's theory that the restructuring is a coy to take ownership of Q-HC at too low of a value."

So, they have already raised issues with respect to what the noteholders think the appropriate value is. And, you know, it could continue and, as I said, the time for discovery is now. The time is not to find out at the confirmation hearing that the noteholders views are going to seep into the process.

So, as I said, the judges have noted that you take the case as you receive it. I think here the noteholders

valuations and opinions have already been seeping into this case. And, moreover, where the confirmation hearing is likely to have involved disagreements of experts as to appropriate methods of valuation, inputs, considerations and the like, and we expect the debtor's expert to challenge Protiviti's input and assumptions (indiscernible), valuations that the noteholders prepared for themselves, these parties who are uniquely positioned, very knowledgeable about the company, sophisticated and have been involved in this process for, at least, a year what they thought about valuation and what the appropriate elements they thought and the inputs they thought as to the valuation would be probative to the ultimate issues that Your Honor is going to have to decide.

That's all I have. If Your Honor has any specific questions for me, otherwise, I will turn it over to Ms. Conroy to address some additional issues.

THE COURT: Thank you. I have no questions. We can hear from Ms. Conroy.

MS. CONROY: Thank you, Your Honor. Kim Conroy, Kasowitz Benson & Torres, on behalf of Mudrick.

My co-counsel, Ms. Cascio, stated it very succinctly. So, I will just add in a few points with respect to KKR of the noteholder specifically. As Ms. Cascio noted, the debtors and the noteholders for that matter have at times injected themselves in this hearing while at the same time

claiming that they're not going to take any position.

As Ms. Cascio noted, during the first day hearing counsel for the noteholders specifically made representations to the court in so far as eluding to the value of the plan. In particular, Ms. Greenblatt for the noteholders noted that they thought it was really remarkable that everyone was fine even though they were potentially getting "single digit" recoveries in the sum of equity and speculative rights. They did interject themselves on the record as to the value presumably of the plan.

Similarly, as Ms. Cascio noted, given the letter to the trustee the debtors are using (indiscernible). They're stating that certain of the noteholders, in particular KKR, which they specifically note is not taking equity is somehow proof of the value and that there's not enough value in particular for Mudrick without having insight into what exactly the values are. We note that the debtors can use these arguments at will.

Finally, with regard to that, Your Honor, in the disclosure statement it should not be missed that in the disclosure statement the debtors also make representations relating to the take private action of potential transactions that was opposed by KKR in December 2019, Your Honor. The debtors specifically state that ultimately the discussions regarding that potential transaction (indiscernible)

company's financial performance. That was eluding to that that was the reason why in March KKR backed out of the transaction.

Your Honor, statements they think can simply be made without Mudrick having any insight to test those (indiscernible), in essence the debtors -- the noteholders can make their argument through the debtors and we would have no insight into it. So, separate and apart from that we think that the valuation, and particularly with regard to KKR, is probative and should be produced.

Unless Your Honor has any questions I rest.

THE COURT: I have no questions.

Why don't I hear from counsel to one or more of the noteholders.

MR. ARNAULT: Good afternoon, Your Honor. This is Bill Arnault from Kirkland & Ellis on behalf of the ad hoc group of noteholders.

THE COURT: Good afternoon.

MR. ARNAULT: Good afternoon. Thank you very much for your time this afternoon. We really appreciate you hopping on the phone in response to this urgent request.

I too, like counsel for Mudrick, can be relatively brief here. I think that I am able to do that because as we note in our letter, attached to our letter, there are actually two cases that are directly on point here. And as

those cases demonstrate its very clear that where a creditor does not intend to put on evidence relating to valuation at the confirmation hearing a creditors own internal valuation are not relevant and courts do not require that they be produced. Even if, whereas here, the creditor is a party to an RSA and puts in pleadings, or other information in support of the plan. Again, where that creditor is not putting on evidence that relates to valuation or any other witnesses the courts have held that those internal valuations are simply not relevant and should not be produced.

That is exactly the situation here because as we have informed counsel for Mudrick, the noteholders will not be putting on any evidence at the confirmation hearing, they will not be putting on any witnesses relating to valuation, and as a result, under these cases, the inquiry ends right there. This, Your Honor, makes sense as the judges in the case have explained because those internal valuations are simply not probative and they aren't relevant for a number of reasons.

I would say, first of all and most importantly, it is the debtor's burden here around valuation and as such they will be the only one presenting evidence on that issue. Most importantly, Mudrick has already received emails and documents relating to the debtor's valuation. I think this is important too from our perspective, Mudrick has already

received emails between the noteholders and the debtors. So, to the extent that there are valuations that the noteholders have created that were shared outside of -- that no longer remains internal, those would have been produced as part of any document production.

So, to the extent that Mudrick is planning that it doesn't have the documents to test with the debtor is now saying they do, in fact, have those documents. It's only the internal valuation that the noteholders have refused to produce here.

Secondly, the internal valuations are of no probative value because, again, by definition the debtors could not have relied on it. And as a practical matter they are of no probative value because as Your Honor might be able to imagine they would have been performed at various points in time under different scenarios with different assumptions; some may have been completed, some may have not. So, to have to go out and produce a number of internal valuations that were performed under a variety of scenarios has no relevant or bearing on the valuation that the debtors are putting forth.

This actually fits into the fact that there will be no witnesses from the noteholders during confirmation. So, as a result such valuations likely aren't admissible in the first instance. And let's say that even if you put them

in front of the debtor's valuation expert he's going to say things like, or I can imagine he's going to say things like, well, I've never seen this before, I don't know how it was prepared, don't know who prepared it, don't know when it was prepared, I don't know what the inputs were, I don't know the purpose for which this was prepared.

This is actually Judge Lane's point in the Genco case that you are going to open the flood gates to days of mini trials on every iteration scenario valuation that was performed over the past several months by all of the individual noteholders. That is just not probative nor is it relevant.

This -- I make the point that this exercise is particularly unnecessary here given that Mudrick's primary objection to valuation rests on the fact that the debtors have failed to update their valuation and account for the CARES Act funds in a valuation.

So, on the one hand you have Mudrick objecting to confirmation because the debtor's valuation is purportedly (indiscernible), but has now taken the position, for purposes of this dispute, that internal valuations performed at the beginning of the RSA negotiations are directly relevant. So, putting to the side the fact that these internal valuations are not relevant under well-established case law the group's internal valuations are also not relevant to Mudrick's entire

theory of the case.

With that, Your Honor, I would state just a few more points.

I think it's interesting to note that Mudrick cites to just two cases in its letter, which are (indiscernible) and Iridium. And it's interesting that Mudrick would cite to these two cases because they're actually the new cases that are cited in the research that they asked me to provide for them. So, rather than going out and finding independently any cases what they did is, instead, relied on the two cases and the cases that I had sent where the judges actually said that those cases do not support the production of these internal valuations.

So, for example, in Iridium Judge Sontchi noted that that case did not deal with a request for internal valuations from a creditor or a party to a restructuring support agreement. In fact, those cases dealt with fraudulent transfer issues which are certainly much different than the cases here.

If you just compare that to the cases that we cited in our letter, particularly the Dolan case and Genco which are directly on point and actually contain parties to an RSA. There both courts held that internal valuations are simply not relevant. I actually think that these cases are helpful and particularly on point here because they also

address Mudrick's point that the noteholders should be treated differently because they were signatories to the RSA to the plan. I think it's actually much like the incorrect entire fairness argument that Mudrick asserted during the DIP hearing that this argument proves too much and is simply not the case that you can then rope in other parties into discovery simply because they were involved and signed the RSA.

Relatedly, as Judge Lane notes, its not enough to advance legal argument to then make internal valuations relevant and subject to discovery. Instead, for internal valuation to be relevant the party must actually introduce evidence on value. That is not what has happened here previously and that is not what is going to happen at the confirmation hearing.

So, for these reasons, Your Honor, the noteholders ask the court to deny Mudrick's request to compel them to produce internal valuations. Thank you, Your Honor.

THE COURT: Thank you, Mr. Arnault.

Does Mudrick want any quick reply?

MS. CASCIO: Your Honor, this is Ms. Cascio. I think I can respond very quickly and pointedly to some of the arguments that we just heard.

What mister -- I don't believe I heard from Mr. Arnault that we are going to be able to discern and prevent

the noteholders views from coming in through the debtors without giving Mudrick the ability to test whether those views are actually consistent with that the views of the noteholders had in the past several months with respect to the value.

I didn't hear Mr. Arnault address what we believe are examples of why valuations will be relevant other than for him to say that Mudrick's primary objection has to do with the CARES Act money. I'd have to note that that was our -- we put in preliminary objections. We have not completed discovery. We have not finalized our objections. To say that any valuations that the noteholders did months ago were stale. That ignores that there could be, for example, a dispute about what are appropriate comparable transactions.

Those are historical and if the debtor's expert says there's only one, which is, I believe, the positon that they are currently taking, but the noteholders thought that there were a bunch of comparable transactions. That would be probative and potentially support what Protiviti, Mudrick's expert, may be prepared to opine on.

I think its artificial, again, to say you can have the -- its appropriate to provide the documents that would be the emails that went between the noteholders and debtors with respect to value which, again, as I said previously, ignores that there's also very different views that are not shared,

but are still, given the noteholders intimate knowledge about the company relevant as to what are appropriate methods and considerations for valuations.

Lastly, Your Honor, we're asking for a very limited time period, which I think is in our letter, but I forgot to mention in my opening remarks. We're only asking for valuations from November through March, November 2019 through March of this year. So, I don't think they made a burden argument, but just so that we close the loop on that. We don't see this as a burdensome request.

Thank you, Your Honor.

THE COURT: Okay. Thank you very much.

I'm going to deny the request of Mudrick to compel the internal valuation documents. I reviewed the case law and although I don't have copious amounts of valuation trial experience I recently was involved in one. So, I do know, you know, obviously, it's the debtor's burden to satisfy the plan confirmation standard. And as acknowledged by the parties the valuation is going to be proved through a battle of experts.

I do agree with the decisions of the other courts including Judge Sontchi in EFH and Judge Shannon in Dolan that the lender's opinion of value is irrelevant. And even if there was even a modicum of relevancy I view, in my experience, the probative value of those internal valuation

documents will be or is substantially outweighed by the danger of issue confusion on the risk of the creation of a side show with respect to the propriety of those valuations or the assumptions that led to those valuation conclusions when I think the proper focus should be on the expert's opinions and my judgments with respect to those opinions.

What does give me pause is the acknowledgement or the argument that the debtors had made certain statements in their letters to the United States Trustee regarding reasons why or why not a noteholder may have chosen not to participate in the equity raised and why the decision to participate or to not participate in the equity raise is probative to value.

It seems to me that this type of argument would be irrelevant to valuation, but I will warn the debtors that if this is the type of information that is going to be proffered at the valuation trial then I will reserve Mudrick's right to remove its request to make a specific and maybe narrowly tailored request for internal valuation documents that is probative to whatever argument is proffered by the debtors on those lines.

So, right now I am not going to compel the internal valuation documents. We can make judgement calls depending on what arguments are raised by the debtors at the valuation trial.

Is there anything else that we --

UNIDENTIFIED SPEAKER: Thank you, Your Honor.

MR. SCHUB: Thank you, Your Honor.

MR. SCHUB: Howard Schub from Kasowitz Benson on behalf of Mudrick.

There is a question that I'd like to address to you. Its not directly raised by the correspondence that you saw earlier, but I think it may have come up somewhat in Mr. Arnault's comments with respect to internal valuations.

We received documents from Credit Suisse with certain presentations that were exchanged with the noteholders that reflect, among other things, certain valuations. To the extent that those documents have been shared my understanding is that while we're still working through the documents that if anything has been shared externally by the noteholders that we would receive those documents and that the ruling today is simply with respect to internal valuations.

THE COURT: Yes. That is correct.

MR. SCHUB: Okay. Fine. I just want to make sure that was clear so we don't have any confusion going forward.

Thank you, Your Honor.

THE COURT: Thank you. Thank you for that question. I'm glad I could make that clarification.

So, I understand we're going to be together on

Friday, but is there anything else that we should be discussing today?

MS. CONROY: No, Your Honor. Kim Conroy from Kasowitz.

THE COURT: Okay. Well then thank you all for hopping on the call today. I'm glad that all the parties were able to get on so we could address the issue quickly and get it resolved for the parties. Let's adjourn the hearing and I'll see you all on -- not see you all, but I will hear you all on Friday. I wish you well. Take care.

COUNSEL: Thank you, Your Honor.

(Telephonic proceedings concluded at 4:32 p.m.)

CERTIFICATE

I, MARY ZAJACZKOWSKI, certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

/s/Mary Zajaczkowski May 12, 2020
Mary Zajaczkowski, CET**D-531